



## Storm Survival

# Preparedness Tips for Hurricane Season

**H**URRICANE SEASON starts at the beginning of June and lasts until the end of November. The Insurance Information Institute has special programs for helping people in affected areas.

There are experts available to discuss insurance issues, disaster preparedness and other topics.

The 2018 hurricane season is shaping up to be near- or above-normal – though not to the degree seen last year, when three major hurricanes struck U.S. soil, according to the National Oceanic and Atmospheric Administration.

### Insurance considerations

Most standard business insurance policies on the Gulf Coast exclude damage from windstorm and hail and all exclude damage from flood. Separate policies for these coverages are needed.

The Texas Windstorm Insurance

Association (TWIA) offers windstorm coverage in Texas' First Tier coastal counties and certain areas located in Harris County east of Hwy 146.

FEMA's National Flood Insurance Program (NFIP) offers flood coverage. There are a few private insurance companies offering windstorm and flood coverage for structures that qualify.

With auto insurance, damage to a vehicle during a hurricane is covered under most comprehensive policies. People who carry only liability coverage will have to pay for any damages on their own.

### Prepping for hurricane season

The first step is reviewing insurance coverage. For example, a business may have spent \$50,000 on improvements and remodeling since the policy was created. It is important to discuss these improvements with us. We can add any

new additions to the policy to ensure adequate compensation if a hurricane causes extensive damage.

Next, prepare the property and emergency plans. *See 'Doors' on page 2*

GIA is pleased to bring you the first edition of our agency newsletter.

We value your business and appreciate the confidence you've shown in us. Our goal is to provide excellent service, competitive pricing, and products tailored to meet the special needs of our clients.

We hope the articles in this and future editions will provide insight into an array of insurance subjects, and we urge you to contact us with questions and comments. Meanwhile we will be focusing on commercial topics and issues.

GIA is a full-service Independent Insurance Agency with dedicated departments for Commercial and Personal coverage including Life and Health.



If you have a coverage question, please call us at:

### GIA Insurance

6025 Heards Ln.  
Galveston, TX 77551  
**Phone: (409) 740-1251**  
**Fax: (409) 740-0513**

211 W Edgewood Dr, Ste 200  
Friendswood TX 77546  
**Phone: (281) 442-1892**  
**Fax: (409) 740-0513**  
E-mail: [info@gia-tx.com](mailto:info@gia-tx.com)

# As Risks Rise, You Need a Commercial Umbrella

**A**S A RESPONSIBLE business owner you no doubt make sure that you are properly insured for any liabilities resulting from damage to other parties.

But, the costs of a large financial settlement could surpass the primary liability limits of your existing insurance policies, leaving your business responsible for the rest of those costs. And a high-cost accident or lawsuit could potentially put your company out of business.

To avoid any of these scenarios, it's wise to carry a commercial umbrella policy, which will essentially pick up where your primary insurance leaves off – or runs out.

All of your policies have limits. Once those limits have been breached, the other party can sue and go after your firm's assets. Breaching those limits is getting easier due to the increasing prices of vehicles as well as health care costs, should the other party suffer physical injuries.

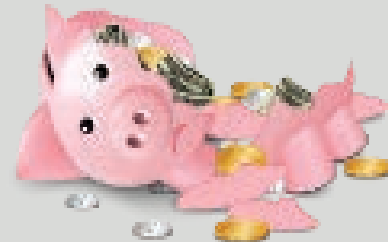
An umbrella policy will also cover you for liability for which there is no primary insurance, or when a primary policy includes an exclusion that the umbrella policy doesn't.

Most umbrella insurers require you to purchase primary insurance coverage before selling you an umbrella policy.

For example, general liability insurance, auto liability insurance, workers' compensation or employers liability insurance.

Umbrella policy limits may range from \$1 million to \$10 million and exclusions will vary among different insurers.

## UNFURLING THE UMBRELLA



An umbrella policy will kick in after limits are breached for:

- Commercial general liability (bodily injury, property damage, personal injury, defense costs and attorneys' fees, limited contractual liability)
- Business owner's liability
- Business auto liability
- Employer's liability

## Above the umbrella

For firms that have potentially higher liabilities, an excess liability policy can be secured. These policies kick in after the umbrella policy is breached.

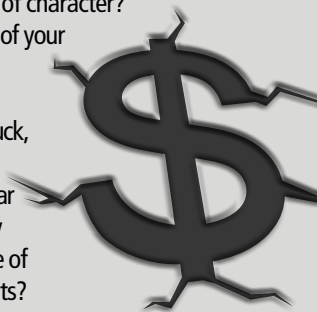
Excess liability policies, besides providing more coverage than the umbrella, typically follow the terms of the first underlying insurance policy.

Higher limits may be necessary for businesses with high loss potential, high profile, sizable sales, numerous assets, large auto fleets, worldwide presence, and/or significant public exposure. ❖



## DANGEROUS SCENARIOS

- What if a visitor trips and falls at your business, breaking a leg and is unable to work for a few months while they recover?
- What if a customer suspected of stealing later proves their innocence and sues for defamation of character?
- What if one of your employees, driving a company truck, rams into a passenger car and severely injures some of the occupants?



Continued from page 1

# Board up Your Doors and Windows When Necessary

## Preparing for a hurricane

- Keep several weeks worth of canned goods, dry foods and water.
- Keep enough extra essential medication to last for a month.
- Draft evacuation plans, and designate a staff meeting place.
- Install hurricane shutters immediately.
- Keep tools, medical supplies and a flashlight in a safe place.
- Keep some emergency cash in a locked safe.
- Have enough batteries to power necessary devices for a month.
- Purchase solar chargers for laptops and mobile phones.
- Buy several efficient battery lamps.
- If evacuation orders are issued, always comply with them.

## Getting out

Everything that must be taken from the premises to keep operations going should be packed and ready to go before orders are issued.

Watch the weather forecast every day, and be prepared to possibly leave or take shelter in a safe place.

If employees need to connect with their families, you can work with them to find shelter. .

Also, if you can prepare in advance, you should board up the doors and windows to your business if conditions call for it. ❖

**To learn more, call us: (409) 740-1251**



# Prepare a Disaster Recovery Plan for Your Business

**N**EARLY HALF of U.S. companies that are victim to a natural disaster never reopen their doors, and 30% are out of business within the following two years, according to the Contingency Planning Research Strategic Corporation.

In light of these statistics, business owners should be asking themselves whether they have an adequate recovery plan for disasters. There are three crucial areas that all disaster recovery plans should cover:

## 1. Physical resources

Equipment, electronics, office furniture, and the building itself, are things that usually can't be quickly or easily replaced if they're damaged during a disaster.

The following are questions that an adequate disaster recovery plan should answer:

- Are there at least three days worth of emergency supplies on hand to carry the business immediately following the disaster?
- What steps can you, should you, and will you take to protect physical assets?
- How would physical assets hold up against various disasters – flood, hurricane, tornado, fire, earthquake?
- Who will assess the damage to physical assets following a disaster?
- Has a list been made to prioritize the replacement of key physical assets, and what suppliers or companies should be contacted for the replacement?
- Is there access to an off-site backup system if data and electronics are damaged, and how often should you back up data?
- How will important documents and records be kept secure and protected?
- Is an alternative facility an option to resume operations if the primary location is unusable?

## 2. Human resources

Employee safety and the resulting personnel issues that follow a disaster should be a top priority.

The following are questions that an adequate disaster recovery plan should answer:

- Have all staff been adequately instructed on the disaster recovery plan?

- How will staff find safe shelter?
- How will contact be maintained with staff during and after the disaster?
- Are current contact numbers for all staff, vendors, suppliers and clients available at an off-site location, and how will this list be maintained and updated to stay current?
- Have you assigned staff to assume key roles should other employees not be able to resume their roles?
- Have you formed a crisis management team?

## 3. Operational continuity

This component is about getting the business back up and running after the disaster. The following are questions that an adequate disaster recovery plan should answer:

- Does insurance, in particular business interruption insurance, provide adequate coverage?
- What amount of cash will be available for emergency contingency expenses?
- If the facility isn't usable, then where should an alternative command center be located to coordinate the recovery?
- Is there an alternative list of suppliers to use in the event regular suppliers aren't operational?
- What should be done for clients and customers during and after a disaster?

Employers might further assign specialized teams to be in charge of some of the tasks related to the above points.

**Post-disaster recovery team** – They can manage recovery tasks like getting the business up and running quickly.

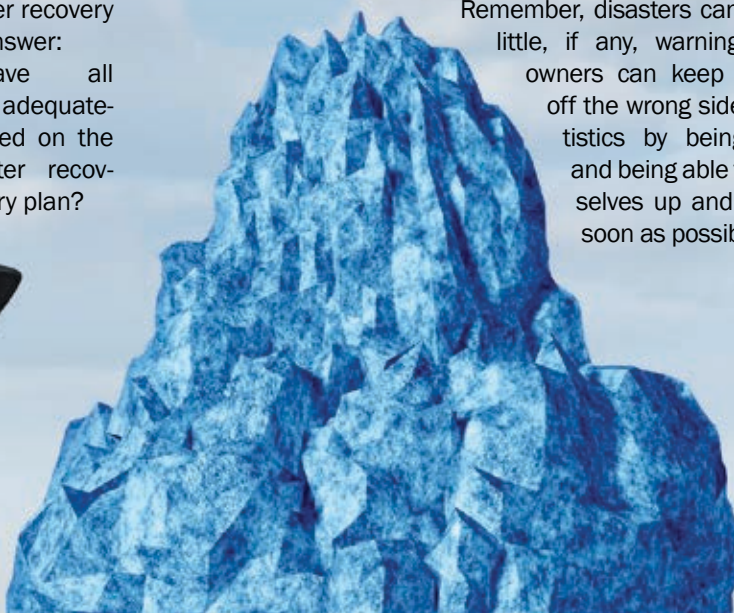
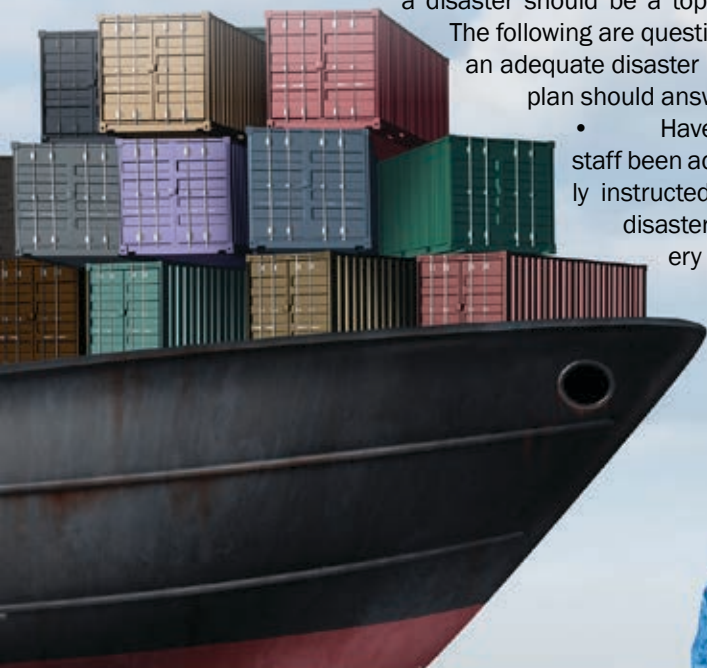
**Administration team** – They can handle logistics, transportation, and emergency and survival gear.

**Public relations team** – They can make public announcements and field inquiries.

**Client/supplier communications team** – They can advise vendors and clients of the business's status.

**IT team** – They can deal with software and hardware issues.

Remember, disasters can strike with little, if any, warning. Business owners can keep themselves off the wrong side of the statistics by being prepared and being able to get themselves up and running as soon as possible. ❖



# The Best Way to File Business Insurance Claims

**F**EW BUSINESSES are prepared for major losses. An electrical fire could cause significant damage to office equipment, supplies and the building itself or a burglary could result in a major inventory loss, while an injured patron who sues could cause a financial loss.

With insurance, it is possible to recover from these losses. After addressing any immediate concerns following such a loss, it is important to take these steps:

**Contact the police if necessary** – If the business loss happened because of a burglary or an internal theft, file a police report, and obtain a copy of the report to give to the insurance company.

**Contact your insurance agent immediately** – Let us know about the incident. We can provide advice and resources for responding to the incident properly.

**Construct an inventory** – Make an inventory of all items that were destroyed or damaged. Estimate the damages, and provide as many specifics as possible about the condition of the damaged items. If possible, take photos of those items.

**Review the insurance policy** – Review the policy to see what is covered. Follow the claims-filing instructions on the policy.

**Be prepared for an adjuster to visit** – If an adjuster visits, they will need as much information as possible. Have an inventory list, photos and financial records ready for inspection.

**Have proof of any loss** – Business owners are required to sign sworn statements proving their losses. Required information must be filed first, and the statement must be completed within 60 days.

**Carefully document damage to the structure** – If the building itself was damaged, make a list of all damages. Take photos of

each specific item.

When possible, take videos of the damaged areas to offer a more complete picture for the insurance company.

**Perform temporary repairs** – Only make repairs that prevent further damage. Boarding up windows, covering a roof hole with a tarp or taking steps to stop a leak are some examples.

But don't take on larger jobs, like installing new windows, putting on a new roof and performing extensive renovations. These are not considered temporary repairs and you may not be reimbursed.

Save receipts for any related items purchased, and take before-and-after photos of the damages. When in doubt about a repair or procedure, discuss it with an agent.

**Obtain multiple quotes** – Before agreeing to any permanent repairs after the insurance company gives the green light for permanent repairs, request several bids or quotes for them to see. This helps to keep costs down and to get the process started as quickly as possible.

Always stay organized when handling insurance claims, repairs and adjuster visits. It is important to complete the process as quickly as possible. Most people are able to answer questions better immediately after an incident rather than a few months later.

Also, some damages may have serious but slow-developing repercussions.

This is why it is important to perform emergency repairs, have the building inspected and have necessary permanent repairs completed in a timely manner.

For help with additional expense claims or business income claims, call us. ❖